

Maine Department of Agriculture, Food and Rural Resources

Specialty Crop Block Grant 2008 State Plan 0841



FINAL REPORT

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INTRODUCTION

The Maine Department of Agriculture conducted projects for the Specialty Crop Block Grant Program to enhance the profitability of Maine's specialty crop producers by opening up new markets through the use of electronic payment options at farmers' markets, encouraging the development of online buying clubs, updating and developing a web interface for a resource directory, doing some targeted promotion for the maple and greenhouse/nursery/florist growers, and participating in a multi-state project to develop a safe-food handling video.

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Project Title: Electronic Payments at Farmers' Markets and Online Buying Club/Farmer's Market Development.

Project Summary

EBT Project

The ability for all Maine citizens to have access to fresh local produce is a goal expressed at the highest levels of government in Maine. This includes our citizens that are recipients of EBT (food stamp/SNAP) program benefits. The Supplemental Nutrition Assistance Program (SNAP), formerly known as food stamps, provides low-income people and families with funds toward the purchase of food to promote healthy living. In Maine, the program is known as the Food Supplement Program, and is administered by the Department of Health and Human Services.

The governor, in his energy strategy released in August of 2008 voiced his commitment to "provide a program for EBT card readers at Farmers' Markets around the State and to allow food stamp recipients to buy fresh, locally produced foods using their EBT cards at the markets." This call to action resulted in our study to see what impact, if anything, having EBT card readers would have on sales of specialty crops.

The Food Supplement Program helped 99,000 Maine families in March of 2008. A year earlier only 86,000 were in the Food Supplement Program. According to Department of Health and Human Services data, more than \$65 million had been spent in Maine in 2009 for the food stamp program as of April 1. At the same time the year earlier that amount was slightly more than \$48 million. Michael O'Connor, EBT Project Manager, said \$214 million was spent in Maine on the food stamps program for the full year in 2008.

In 2003, the program moved from a paper stamp system to the electronic benefits transfer (EBT) card-only system for Maine recipients. For EBT cardholders, a set dollar amount of monthly benefits are transferred to the card, which can only be accepted by approved retailers. Before the transfer from paper stamps to EBT cards, customers could easily pay for fresh produce at farmers' markets by paying with paper stamps. Food stamp retailers would then get reimbursed for any paper stamps by the Department of Health and Human Services. Farmers' markets lost out on those sales after the transfer.

In order to be eligible to accept EBT, a retailer must sell one or more of the following products: fruits and vegetables, dairy products, meat, poultry, and fish, breads and cereals, or seeds and plants which produce food. EBT cannot be used on the following items: any non food items, prepared foods, vitamins and minerals, and hot foods. A retailer must also complete a Food Stamp Retailer Application.

A Maine statute defines a farmers' market as a building, structure, or place used by two or more farmers for the direct sale of farm and food products to consumers at which all sellers grow or process at least 75% of each product they offer; all other products they sell must be grown and processed by and directly purchased from another farmer.

A number of states have recently been coordinating with farmers' markets in an effort to allow the farmers to accept electronic payments, particularly EBT cards. Governor Baldacci was a strong supporter of getting Maine farmers' markets on board with the program, and his administration pushed the initiative for the several months before the project began. He was quoted by the Kennebec Journal through a spokesperson in April 2009, "Expanding EBT access will allow food supplement recipients to buy fresh locally produced foods using their EBT cards at the markets. This promotes good nutrition while also supporting local growers."

Online Farmer's Markets

In addition, the Department has been supporting development of Consumer driven On-line Food Buying Clubs, also called Online Farmer's Markets. This market channel has been especially successful with young mothers with children who are looking for lower cost food sources during this economic downturn. Currently at least 32 clubs are purchasing local specialty crop produce. The project is very timely given the current surge in interest and commitment to buying local products. It was imperative that we focus whatever efforts and resources we could to identify and assist our specialty crop producers in opening up this new market niche for their products.

Maine direct market farmers have been looking for a way to increase their sales, and the on-line ordering type of market channel is new to them. This project was developed to assist more of these clubs, and farmers markets, to move to online ordering, and to see what impact that would be on purchases of specialty crops. The Department tested whether Maine's specialty crop producers will benefit directly from such a program which would open up a new customer base for their products and enhance the competitiveness of their products.

There are challenges. Interest and frustration regarding the inability to accept electronic payments (EBT/Credit and Debit) and making it easier to order local products has been expressed by both the farmer's markets, food buying club market managers and the specialty crop producers that sell to these markets.

Overall the two projects provided the Department with information to help develop a program plan to provide the markets with the tools necessary to provide EBT and online ordering services to our specialty crop producers. It identified the roadblocks that may currently exist that have prevented markets from accepting electronic payments or going to online ordering systems. Further the project made recommendations to assist the markets and buying clubs in overcoming these hurdles.

Project Approach

EBT Project

The Department of Agriculture employed interns through the Governor's summer intern program during the 2009 market season. Zachary Bellavance and Jessie Daniels were interns assigned by the Margaret Chase Smith Center for Public Policy, and they worked on the project during the summer of 2009. They developed a survey for each organized farmers' market in the state and visited each market. They talked with both market managers' and specialty crop producers to identify the current needs and current resources of each market as it relates to the ability to accept electronic payments.

The surveys were developed through meeting with members of the Division of Market and Production Development in the Maine Department of Agriculture, as well as staff from Department of Health and Human Services EBT Division. Daniels and Bellavance created a series of questions to ask market managers, customers, and vendors at each farmers' market. The questions helped the interns to make recommendations to the division on which markets would benefit the most from the ability to accept electronic payments. Questions about the market structure, telephone line and electric capabilities, and interest in the program were added to the surveys. Daniels and Bellavance visited the 78 organized farmers' markets in the state to perform surveys of each market. At each market they spoke with the market manager, an average of three separate vendors, and an average of two customers.



EBT Machines

Maine Department of Health and Human Services provides free machines for EBT payment processing for food vendors to use. These machines require a land phone line and electricity in order to operate. There are no transaction fees or monthly maintenance fees for the EBT machines. DHHS also had available 6 wireless EBT processing machines for farmers' markets to use.

Although there are many different types of machines available at varying costs, the State chose to purchase machines from First National Merchant Solutions. The machine that was purchased was a VX610, which can be purchased for \$699 or leased for \$18.95 per month. If the machines are leased, they can be upgraded at no cost every 2 to 3 years. There is a one-time wireless setup cost of \$75 per terminal, a \$15 monthly wireless service fee, a \$7.50 monthly maintenance fee, a \$5 monthly EBT fee, daily capture fee of \$0.35 on days when cards are used, and a \$0.15 per transaction EBT fee. The machines may be returned when not in use for seasonal vendors, and seasonal users need only pay a \$99 annual fee in lieu of the monthly maintenance and EBT fees. According to Michael O'Connor, the EBT Project Manager for the Department of Health and Human Services, the Department was looking for funds to pay for the fees on behalf of the farmers' markets.

The interns compiled a report of their findings for division staff. The report, along with staff recommendations, was presented to the specialty crop producers and farmers market managers at the Maine Agricultural Trades Show in January 2010.

Online Farmers Market

In the Summer of 2011, the Director of Market Development developed a mini-grant matching funds program to provide the markets with financial resources to purchase electronic payment machines and/or set-up online ordering systems. The grants were available in the spring of 2012. Markets were surveyed for success, in terms of easier handling of sales, and increased dollar sales through online ordering systems.

The Maine Department of Agriculture, Division of Market and Production Development managed this project directly, and through a sub-grant to Western Mountains Alliance to conduct the mini-grant program.

Goals and Outcomes Acheived

The goal of these projects was to open up new markets for specialty crop producers that sell at farmers' markets and who sell on online farmers markets (food buying clubs).

This project had the potential to impact over 150 producers that sell product at over 75 farmers' markets throughout the state and to consumer buying clubs. Each market would strive to increase EBT transactions from 0 (benchmark) to 15 EBT electronic payment transactions per market day, or \$350 of increased sales of specialty crop producers products to this market segment (outcome).

One farmer reported that electronic payments at their farmstand account for 30 percent of their business. This would be the potential impact in increased sales for specialty crop producers at farmers' markets where an electronic payment system is available.

A majority of markets were in favor of accepting electronic payments, as long as they could do so at little or no fee. Some markets were also interested in credit and debit cards, which are capabilities that markets would have to pay for on their own.



Many markets were unable to keep up with monthly fees or transaction fees due to the very small margin of profit on each sale. Farmers' markets typically have the high cost of rent and insurance to pay for already, and don't have the means to pay any additional fees. Other markets see a large number of tourists each

season, and could benefit from the boost of credit and debit sales.

A majority of markets were concerned that EBT customers, given the choice of shopping at the farmers' market or the local supermarket, would continue to shop at the local supermarket in an effort to take home a larger quantity of food with their food assistance dollars. Generally speaking, most items for sale at farmers' markets are priced noticeably higher than similar items in the grocery store. Buying locally at a farmers' market gives added value of more nutrients and fresher foods, but it comes at a higher price.

Markets were also asked about their current and past participation with the WIC (Women, Infants, and Children) program. WIC is a U.S. Department of Agriculture program that supports low-income women and children of up to 5 years of age by providing nutritional food. Many vendors said that they get less than \$100 per year in WIC Farmers' Market vouchers. Vouchers can be used at farmers' markets for fresh produce. Most vendors said that there is a large amount of paperwork that needs to be completed in order to qualify, but that an extra \$100 per year is worth it. A very limited number of WIC accepting vendors said that they get sales of more than a few hundred dollars per year.

Out of the 78 markets visited, only 18 had active electricity, and only 8 had a phone line. Some of these markets only had these utilities via extension cords from adjacent buildings. A very limited number of markets that did not already have these utilities would be willing to run a line from an adjacent building or pay for a connection from a utility pole. Most markets simply cannot afford to pay for these services in addition to the high cost of insurance that the market is required to carry.

Another frequent issue that markets have with the machines is staffing the machine. Most market managers are also vendors at the market. Generally, Maine farmers' markets have large spurts of customers at certain times, which most markets managers fear could be detrimental to accepting cards. If a vendor has split responsibilities between selling their product and running a centralized card machine, impatient customers could leave to purchase goods from another vendor. If there is a centralized location for the device within the market, there could be long lines during busy times, and some customers may take their business elsewhere.

Nearly 100% of markets said that they have a strong base of repeat customers. Market managers, vendors, and customers agreed that most people that attend farmers' markets know that they need to bring cash or check. About 53% of markets indicated that they are in a low income area and know that there are needy customers in the area. About 35% of markets indicated that they get a large amount of tourists each year.

Out of the 75 markets surveyed that are not already accepting EBT cards, 42 said they are interested in accepting EBT payments electronically. Seventeen markets are interested in accepting credit and debit cards electronically.

Customers played a crucial part in this survey. They answered four questions: how often they attend the farmers' market, whether they visit other markets in the state, whether they would purchase more goods if they could pay with credit, debit, or EBT cards, and whether they would come to the market more often if they could pay with cards. Out of the 132 customers surveyed, only about 20% said that ability to pay with cards at the market would make them attend more often. About 36% of customers said that they definitely would purchase more goods if they could pay with cards, another 10% said that they might purchase more goods, and 54% said that they would purchase the same amount of goods or would only pay with cash or checks.



Maine Markets Accepting EBT

Though the purpose of the project was to introduce electronic payment systems to the markets, there were already a few markets accepting EBT and/or credit and debit. Zachary Bellavance had the opportunity to visit the Gardiner Farmers' Market, and the Greater Androscoggin Farmers' and Artisans' Markets, formerly known as the Lewiston Farmers' Market. Both of these markets obtained the funds to purchase the machines through grants, and did so because they felt it was very important to have the ability to offer low income people healthy and local food. Jessie Daniels visited Monroe Farmers' Market, which obtained a free machine from DHHS, and had no additional costs incurred by the market.



Each of these markets had developed their own way of handling the transactions. Monroe and Lewiston Markets use scripts. Under this method, the customer has the amount of what they want to purchase from each vendor written down on a sheet of paper, which they then bring to the central payment station. After their products have been paid for, they return to the vendors to show the receipt and receive their items. Gardiner, however, uses a token system.

Under this method, the customer purchases a set amount of wooden tokens at the central station and then uses those tokens to purchase their goods from the vendors. Both of these methods work quite well, because the vendors are not forced to deal with the extra burden of processing the transactions at their own station. Under both methods, funds collected from EBT payments are disbursed within 2-3 days to a checking account associated with the device.

The success of the systems within these markets is hardly based on the measurement of profit. The goal of adding the EBT machines is to allow consumers with food stamps to purchase healthy and local food from their local farmers, which they may not be able to purchase otherwise. Boo Hubbard, the manager of the Gardiner Farmers' Market, stated, "Anything that improves health and options for the customer is a goal of our market." However, farmers do see that there is not a customer base for EBT machines at every market location. Daniel Scheror, of the Greater Androscoggin Farmers' and Artisans' Market says the demand for EBT in farmers' markets is largely dependent on the location, but "is a great service if there is a customer base."

The failures to these systems, based on information gathered from all of the markets who have the systems in place, is the difficulty of trying to obtain permission from the state to accept EBT cards, and to obtain and install one of the machines. All markets with the system in place have stated that the application process for EBT is not designed for a small farmers' market, but rather for a retail store. This adds great difficulty when trying to apply for the opportunity to accept EBT. The other great difficulty is the infrastructure of farmers' markets. Most markets are not located close enough to electricity, or a land line. This makes it very hard for markets to put in these systems because it means they either have to go through the grueling process of finding electricity and a land line, or buying the much more expensive wireless system. The Monroe market has their machine set up in the Public Library next to the Farmers' Market because it is the only way that the machine could be installed, and this creates a hassle for customers.

The markets which already have the systems in place did have a few suggestions to offer. All markets felt that the state should revise an application for farmers' markets, or make the whole application process easier. By doing this, more markets may be interested because they would not have to deal with so many issues while trying to bring EBT into their market. One of the vendors from the Greater Androscoggin Farmers' and Artisans' Market also stated that it would be helpful if the state were able to provide money to staff the EBT machine, because staffing the central station "puts a burden on the market association to hire someone."

There are alternatives to buying the machine to process EBT, or debit/credit transactions at the market. Some vendors choose to process these transactions manually. They do this by taking down the customers' information and running the transaction on the computer when they arrive home after the market. However, this method could prove to be very troublesome for a vendor, because they are taking the risk that funds are available on the EBT or debit card, or that credit is available on the

credit card. If funds, or credit, are not available the vendor loses not only money, but also the product which the customer “purchased” at the market.

Skowhegan Farmers’ Market is currently using this method to accept EBT cards. When they initially looked at getting a machine from the state there was too much paperwork involved, and wireless machines were too costly for the market; but they still wanted to accept EBT cards, so they decided to do it manually. Skowhegan is a rural area and there are many low income households that could benefit from being able to use food stamps at the farmers’ market. “I believe that good food is a right, not a privilege,” said Sarah Smith, the market manager. Smith stated that the only issue that the market has encountered so far is that they get a lot of EBT customers at the market, and the treasurer of the market takes down the card numbers and sometimes loses sales for his own farm due to long lines at the EBT table.

The other option available, in terms of EBT, is for customers to use their call-in vouchers. With this process, customers may purchase goods with a voucher, and then the vendor must call the number on the voucher to obtain the funds. However, multiple vendors have stated that this process is very cumbersome. It often takes a great deal of time to obtain the funds, and most vendors who have spoke about this method find it to troublesome to bother accepting EBT.





EBT Customer Study

In 2006, 14 million dollars came into Maine each month supporting those on food stamps. During 2006 the state also conducted a survey to determine whether food stamp recipients were interested in shopping at farmers' markets. Of the 173 recipients surveyed, 96% said they would like to be able to use their food stamp funds to purchase food at the farmers' markets.

There has been measurable success of EBT being used in farmers' markets in other states. During 2006, Iowa had ninety-three farmers' markets which were able to accept EBT at the market. During that same year, Iowa farmers' markets using the EBT, and credit/debit machines reported an average increase of 13.3% in sales. However, to obtain these increases Iowa had to do extensive advertising on the radio and in newspapers. The advertising was needed to inform EBT recipients, and debit/credit card holders that the markets were now accepting these forms of payment. Arizona has also been in the process of adding EBT/debit credit machines to their states farmers markets. During 2006, 11 markets in Arizona were able to accept EBT and debit/credit transactions. These markets averaged \$40 a week in EBT sales and \$2,460 in credit card sales according to "Food Stamps and Farmers: It's WIN-WIN." This report also indicated that the amount of time required to process the transactions and write checks to the vendors was about 3 hours per week. This data indicates that one hour of work spent handling electronic transactions at the market resulted in an \$800 gain.

Online Farmer's Markets

The second goal of the project was to encourage farmers markets and consumer buying clubs to establish an online ordering program for their businesses to help streamline ordering and increase sales to specialty crop farmers. We hoped that thirty five farmers' markets and Food Buying Clubs would take advantage of the mini-grant program during the last year of the project. These mini-grants were to be used to assist the markets,

both winter farmer's markets and online ordering system farmers' markets (Buying Clubs), in the initial start-up of a program.

These activities not only impacted the specialty crop producers but also impacted Maine citizens that receive EBT benefits, by providing them with access to fresh locally grown products that are of exceptional quality.

This project also offered the potential for specialty crop producers throughout the state of Maine to enhance the competitiveness of their crops by opening up a new market for their crops. This project had the potential to impact over 50 producers that sell product at farmers markets and to over 75 Food Buying Clubs throughout the state.

The outcomes of the project were summarized in a survey completed in the spring and summer of 2012 once the minigrant was initiated to help purchase EBT machines or establish online markets.

Results of who participated in the minigrant program can be found in this chart below:

Who Participated	Totals	Online Systems Only	CC/EBT	Both Online/EBT
# of Farmers Markets Participating	12	0	9	3
# of Buying Clubs Participating	10	8	2	0
TOTALS	22	8	11	3
# of Buying Club members (consumers) served	675			
# of Specialty Crop Farmers served	345			
# of Counties Served	16 (all)			

64.7% of respondents reported an increase in sales through participation in the mini-grant program. These markets saw an average 49 to 60% increase in sales over an average 5 week period.

Of the 35.3% of markets reporting they did not experience a growth in sales, 100% of them cited not having either the equipment or software operational for a long enough period of time to see an increase.

Beneficiaries

345 specialty crop farmers in one or more of the 16 counties in Maine benefitted by these two projects. In addition, 12 farmer's markets and 10 buying clubs benefitted from this project.

Lessons Learned

EBT project

This project showed that it is somewhat difficult for producers at either Farmers Markets or Online Farmers Markets to fully utilize the EBT machines, get trained, and have someone staff the machine during sales hours. During the survey period, the following comments were received and recommendations made:

- Order more wireless systems for the markets that are interested in getting involved with the project.
- Educate the markets on the use, and need of the EBT machines within the markets.
- Educate EBT customers so they understand that some Maine markets do accept EBT. Also, educate them on the nutritional value of eating locally grown food, as opposed to the food in the grocery store.
- Advertise via multiple resources, including but not limited to: newspapers, radio, and local television stations. By doing this customers will become more aware of the options available to them.
- Help the markets to staff the machines by finding them volunteer programs, AmeriCorps VISTA workers, or federal work-study options from local colleges. By finding AmeriCorps VISTA workers, the market would be able to staff the machine, and all pay would be provided by the federal AmeriCorps program. AmeriCorps also provides its volunteers with a \$4725 educational award after one year of service. With federal work study students, the market would only have to pay 25% of the student's hourly wage, and the remainder would be covered by federally awarded federal work study funds.
- Assist in grant writing so markets can obtain the funds needed to pay the fees of the wireless machines, or find Government money to assist with these fees.

Accessibility of nutritious foods is important for all residents of Maine, and adding electronic payment and the ability to accept EBT cards makes it easier for all residents to eat healthier and stimulate local economy simultaneously. However, many markets are skeptical about accepting alternative methods of payment. Many market managers and vendors made suggestions about how they picture an ideal program so that all people can still shop at the market, while saving both money and hassle for the vendors.

Almost every market surveyed agreed: wireless is better. It doesn't make much sense for outdoor markets to have to plug a machine in to electricity and a land phone line, especially since outdoor markets don't need land phone lines for any other reason. Some markets already have electricity for other purposes, but long extension cords need to be run. Markets have to pay to have the utilities connected, which can be more costly than fees for wireless machines. Most market managers said that if the State could pay fees for these machines, they would accept EBT.

A vast majority of market managers were also concerned about staffing of free EBT machines. If a single machine were used for a whole market, someone would need to be trained to use the machine, as well as take time out of their schedule to use it. Most market managers are also vendors at the market, which means that staffing the machines could mean lost sales for their own farm. This is simply unacceptable. Many markets also do not have the funds to allocate in order to pay for an employee to run a card machine. Trustworthy and reliable volunteers are hard to come by, especially on a weekly basis. If the State could allocate some funds, assist with volunteers, or help with grant writing, this would ease the burden for markets and make this program seem more feasible.

Another important component of the program is advertising. The State needs to get the word out to food stamps recipients that they can now use their EBT cards at farmers' markets. Markets accepting EBT should also advertise by word of mouth and signage. Perhaps all food stamps recipients could be notified by mail since the State has all Food Supplement Program recipients' information. Advertising in all Maine newspapers would be beneficial, as well as reports with local television stations. This can be done at no cost by issuing a press release rather than paying for advertisements. Monroe Farmers' Market, which already accepts EBT, said that the signs that USDA provides for markets accepting EBT are simply not large enough. If large signs were produced for markets accepting EBT, it would attract more EBT recipients.

Not all markets will be willing or able to accept EBT at this time. Infrastructure and staffing the machines are troublesome for many markets. Some markets have less organization than others, and there will be no way for some of those markets to utilize machines for EBT or other electronic payments. Many markets will most likely



have one or more vendor electronic payments with their own machine because other vendors will be unsupportive of alternative payment methods. Markets in wealthy tourist areas are not good candidates for EBT machines simply because there is little or no demand for it in some areas of the state. Vendors and market managers at Camden, Boothbay, and Northeast Harbor farmers' markets indicated that there is very little or no demand for these services in those areas simply because they have large tourist populations and many wealthy year-round residents.

A large amount of market managers interviewed were skeptical that food stamps recipients would shop at farmers' markets simply because the price of food is cheaper at the supermarket. Some managers realized that many low income households do not realize the added nutritional value of foods at farmers' markets, and that could possibly save money by purchasing foods at supermarkets. A few market managers suggested adding educational components of this program so that Maine residents could learn about eating healthier, cooking, shopping at farmers' markets, and nutrition information about whole foods. With this new knowledge, shoppers would understand that although they can most likely purchase larger portions of lower quality foods for less, it is in their better interest to eat healthier for a slightly higher cost.

Online Ordering/EBT Minigrant program

A number of observations were made by the project coordinator concerning this project:

- Farmers Markets and Buying Clubs would like more support navigating the process of acquiring cc/ebt terminals, including a vetted listed of POS providers.
- Markets and Buying clubs need support (financial and technical) in marketing the new technologies to grow
- Running a POS terminal at farmers markets is best done by a dedicated volunteer or paid employee
- Concern over longevity of terminal vis a vis new technologies and security compliance.

A number of observations were made by the participants of the project including:

- A lot of people find the software easier to deal with than a Google doc but the software forced us to better structure and organization. Once we had that, we got word out to more people and that really grew our membership from 10 to over 30. Although the club feels having this software has definitely made a difference. Without the software, the club **WOULD NOT** have considered adding local growers. The club is about to launch that in a hefty way so this component is **VERY** exciting.

- The online ordering system allows us to accurately display items and prices and increase the amount of local products offered. Prior, we had a lot of members making mistakes in ordering and now it is all resolved. Mostly, the behind the scenes functions (split sheets and receipts) are available to us which we didn't have before when we worked in Excel.
- The convenience of having SNAP at pickups has been immensely helpful for some members-owners. Converting to BuyingClubSoftware has brought an ease of ordering and process, as well as a consistent boost in sales.
- We have found the use of EBT Processing Equipment an incredible asset to the LFM and our community. It has made it possible for a broader segment of the community to regularly shop at the market and see it as a viable food access point for themselves and their family. As such it has also increased sales of our participating farmers and producers and also created a more diverse customer at the market. None of this would be possible without a reliable up to date wireless machine. We use a market wide EBT system in connection that relies on careful tracking of each sale and a direct deposit system to reimburse vendor participants. We are happy to share any information, data or tracking tools we use to implement this system.
- The ebb and flow of Food Stamp recipients wasn't expected. Expected weekly SNAP ED sales.
- Obtaining EBT equipment was difficult and time consuming. Advertising could be an issue. "Now we have it, how do we get folks to use it?"
- Still working on getting the word out to the community that the market now accepts SNAP EBT.

- We have been very happy with our machine vendor, TSYS. We need to have a single person at the market who is not a vendor, to process the credit card transactions.
- Need assistance in promoting EBT at our market, now that we are accepting them.
- Although the beginning has been slow, I believe sales to SNAP families will increase as they realize the importance of feeding their children healthy, local food.
- This addition has made a big difference in market sales for the farmers involved and support is increasing.

In general, this project was a success and will lead the Department to further promote farmer's markets on the www.getrealmaine.com website and consumer food buying clubs at www.fffme.com (Farm Fresh For ME).

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Additional Information

The Department has on file summary reports from the summer interns on EBT survey, Survey of Grower's Needs, and a summary of the EBT/Online Ordering Software Mini-grant program.

Project Title: Maine Agricultural Resource Directory

Project Summary

Maine's specialty crop producers are well positioned with quality products, reputation and geographic location to serve existing and emerging markets both locally and beyond. However, Maine needed to establish a comprehensive inventory and database of relevant business and market information to increase market activity, profitability and sustainability for specialty crop producers in Maine.

An online resource directory was developed to improve and develop effective statewide dissemination of information on markets, suppliers, government and nonprofit support agencies, sources of financing, and other private and public business support services.

This website is totally searchable and provides geographic searching capability for locations of farms, service centers, and other resources of interest to farmers and consumers. The website is capable of being updated by all participants in order to keep the information relevant and timely. The site increases the use of market information and resources by producers and buyers. This website has enhanced partnerships with agriculture-related organizations and service providers to share information and increase collaboration.

Project Approach

The purpose of this project was to help Maine's specialty crop producers have quick access to, and take advantage of, information and resources that will aid them in gaining access to existing and emerging markets.

New and existing Maine agricultural businesses have a difficult time finding information they need to stay or become competitive in an ever-changing marketplace. Services and information exist, but are spread between a myriad of agencies and organizations, both local and national, and even the most savvy of information seekers is easily frustrated trying to find market information and business assistance services targeted specifically at agricultural enterprises. Most of Maine's specialty crop producers just don't have the time, expertise or financial resources to access the range of information that could be useful to them.

Most Maine agricultural businesses are located at great distances from one another, from service providers, from organized industry events, and from potential buyers. An information system designed to reach geographically isolated producers would greatly improve the ability of these producers to access market information.

The Market and Production Development Division in the Department of Agriculture recently completed a report on the Agricultural Creative Economy. This report was a needs assessment of direct market farmers. One of the highest priorities was the need for a market/resource directory.

In the summer of 2009 the Department hired two summer interns to start the process of establishing a comprehensive inventory and database of relevant business and market information. The Department developed a survey application form for farmers to fill out about their products. The directory has been promoted to the farmer community and over 1200 farm and food producers are now a part of the program.

The Department contracted with the web designers who designed the initial www.getrealmaine.com website in order to develop a database for acquiring market and production information from farmers, service providers, market contacts, and others. The Department interns entered all pertinent state service provider information and additional market information from contacts with these agencies.

The Department also wanted to improve and develop effective statewide mechanisms to disseminate and exchange market information. We developed our own web-based searchable database for consumers and buyers to access. We had over 1200 farmers and food producers on the website as of January, 2009. We also populated this website with resource directory information for farmers.

The Department had been working with a nonprofit coalition, Eat Local Foods Coalition (ELFC) who has a web-based format to disseminate market and resource guide information, create the mapping function, and provide the discussion forum part of the program. The Department shared its database information to populate the ELFC website.

The Department participated in statewide educational seminars for farmers on how to better market products, access resources and develop marketing plans. We promoted the website to farmers and resource agencies at two of our agricultural trade shows in 2011 and 2012.

Due to staffing changes, the department did not develop an online survey to farmers to see how they are using the site. Instead, the Department evaluated the use and effectiveness of the mechanisms employed to disseminate and exchange market information, primarily from using google analytics to review how the site was being used, and what information was most important to users.

Goals and Outcomes Achieved

The goal of this project was to help Maine's farms and food producers have quick access to, and take advantage of, information and resources that will aid them in gaining access to existing and emerging markets, suppliers, and government programs.

The Department met the goal of producing this website, located at www.getrealmaine.com. The other goal was to attempt to make specialty crop producers aware of the resource and lead them to the resource to get information they typically request from the department. We met that goal as well.

The project measured the outcomes by way of google analytics information. Google analytics identified the number of hits to the website and potentially the most frequently hit part of the website. We estimated that we would get at least up to 1,000 hits per week during the major produce season for the market access part of the site. That baseline would be used to estimate use and provide help in improvement of the website. Based on the table below, we surpassed our expectations with over 4,000 hits per week in 2010 and over 5,000 hits per week in 2011.

For the resource directory page, we hoped to reach 120 hits per month during the off season, and up to 300 hits per month prior to major agricultural events. That would show that farmers are using the site for resource information on a regular basis, which is what we wanted as an outcome.

We just about met our expectations with 470 hits per month in 2010 and slightly less in 2012. Since we asked for additional funds to do more on a financial resources directory, we did a separate promotion for that section of the website. We hoped to reach over 500 farms with our promotion and hoped to get a spike of hits to that part of the website, from a baseline of 0 hits to at least 250 hits in the following 4 months, showing that our specialty crops farmers are accessing this information as well.

Resource Directory Summary of Website Activity (google analytics)				2012 to august
	2009	2010	2011	
Total Get Real Site Hits	0	214,599	283,162	214935
Page views of Resource Directory	0	5640	4618	3598
Percent of Total on Site		3%	2%	2%
Percent of Total on Page				
Locate	0	2%	5%	4%
Browse	0	3%	10%	9%
Connect	0	2%	7%	5%
Find	0	16%	16%	10%

Project Beneficiaries

This resource guide will be a major asset to all of Maine farmers who need to find agricultural markets, services or supplies. It will also be an asset to the over 2,400 new and beginning farmers who are constantly in search of new market contacts and agricultural services. It will be an aid to consumers who want to find local farms, and for those thinking about getting into farming. The Department currently gets over 150 calls a year from land owners interested in getting into farming.

The 2007 Agricultural Census just out showed that in the last 5 years Maine increased the number of farmers by 15 percent, from 7,196 to 8,136. The majority of that increase was farmers farming less than 180 acres, and producing less than \$50,000 in gross sales. These small, specialty crop farmers are the targets of this program. A lot of these farmers, if they had better awareness and access to agricultural markets and services, could substantially increase acreage and gross income, moving them into the profitable range of \$100,000 to \$250,000 gross income categories. If 50 percent (1,200) of the new and beginning farmers jumped from \$10,000 gross to \$100,000 gross, we would have an additional \$90 million dollars generated into the agricultural economy of Maine, an increase of our Gross Agricultural Product of 14 percent.

Lessons learned

The project described in this report was conducted to identify and catalog/map agricultural support business, agency and other resources in Maine in order to help the farming community better access those resources. As part of this project we also gathered information to identify issues in Maine agriculture and provide recommendations for the Department.

Coming into the project, neither of the interns had much prior interaction with agriculture in the state. Though they saw this as somewhat of a disadvantage initially, the Department recognized that their relative inexperience to the subject of farming presented an opportunity. Individuals with little attachment to Maine agriculture might recognize the core issues which need to be addressed better than those entrenched in the agricultural community.

The interns were able to find resources, and conducted a number of interviews with various members of the Maine agriculture community. Those included farmers, state legislators, business leaders involved in agriculture, representatives of state and federal agriculture agencies, and organizers of commodity associations. Their aim was to touch as many segments of agriculture as possible, from sizeable commodity potato growers to small scale diversified operations. In their discussions they attempted to identify key problems affecting the numerous sectors of agriculture. They did identify several trends and themes which characterize some of the struggles all Maine farmers have in common. The resource directory, especially the financial directory, was spot on for the information needed. By doing this resource inventory, they got a better feel for the importance of the work they were doing.

One concern was, as associations rely more on the internet to keep up to date with their information sharing, a certain portion of farmers that do not have access to fast, reliable internet are cut out of the loop. Fewer mass mailings of brochures and informational packets may also leave them without easy access to this information. Many are unaware of what information is out there when contacting their Extension or association unless they are directly looking for it.

For farmer-to-farmer communication, one of the most helpful tools is a discussion forum or a place online to post questions or concerns that other farmers could best answer. A link on the Department website to a discussion page would allow farmers to post questions about things they could not find, or seek advice they need from other farmers. This could help eliminate the role of the Department as middle-man in some issues when they simply refer them to other farmers in the first place. It can also spur discussion among multiple farmers who have suggestions on better ways to do things. A farmer can therefore get multiple forms of advice on a specific topic and choose the best to suit their needs. This type of forum would also help farmers in their constant search for lower input prices, and would allow them to learn about more economical venues around the state that they previously may not have been aware of. They could also more easily coordinate with multiple farms about equipment, supply, or transportation sharing, and know more readily about production practices or new marketing venues that have been successful for other farms.

These lessons have shown us that the Department must continue to be proactive in uploading information of interest to farmers, and continue to promote the website to assure that farmers know where to go to get the most accurate information.

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Project Title: Maine Harvest -Seasonal Specialty Crop Promotion Program

Project Summary

Many of Maine's Specialty Crop producers rely on tourism as prospective customers during our short spring, summer and fall seasons. Catchy, on-line promotional webpages, banner ads were developed, along with limited newspaper ads, to attract Maine consumers and tourists to the Department promotional website, www.getrealmaine.com and to the farms represented on the website. The Department worked directly with the Maine Tourism Office to produce online promotional materials and newspaper inserts. Specialty Crop producers benefited from this promotion, which was captured in increased traffic to the website and, by relationship, to the farms.

Due to the state's small population base and its reliance on tourism, Maine producers rely on both residents and tourists as prospective customers. This project is timely and important because many Maine specialty crop producers market their products directly to consumers in a short seasonal window. The potential season for Maine agritourism begins in late winter with maple syrup and in early spring with greenhouse/nursery crops and bedding plants for seasonal visitors and Maine consumers ready to plant and grow annuals, perennials, and vegetable gardens.

Project Approach

The Department worked with the florist industry to identify promotion opportunities at our Maine Agricultural Trade show in January of 2010 through 2012. We provided booth space and allowed for promotion and sale of items to the public as a way to promote the industry sector. A number of floral designers to participate in the event.

In 2010, in a prior grant, we worked on development and promotion of the Department website, www.getrealmaine.com. In 2011 we hired a summer intern to collect information on the maple, farmers market, and greenhouse/nursery sector and find out what will improve visibility of these sectors. Department staff participated in industry meetings to determine the needs of the sectors. The Department supported a number of special events throughout this period, including Maine Maple Sunday in 2010, 2011 and 2012. We produce brochures and other promotional materials as well as promoted the events on the department website.

The Department worked with the Maine Federation of Farmers Markets. We sponsored an event in the winter of 2011 and 2012 to help the Federation better come together to promote their sector, especially for specialty crops. The summer intern visited markets in the summer of 2011 to see what the needs are for better promotion. In the Spring of

2012 we updated the Farmer's Market listing as well as the specialty crop farmers listings, with a focus on greenhouse/nursery producers.

The Maine Nursery/Greenhouse industry was contacted for their interest in being better supported by the Department. The Department collected information on the industry sector in 2011. Based on the work in 2011, the Department supported sector promotional events in the spring of 2012.

The Maine Office of Tourism was engaged for this effort to produce the online and newspaper content in the spring of 2012. The strategy included primarily media buys in print media, online banner ads and development of a facebook page for GetRealMaine. Both media outlets were used to drive traffic to the GetRealMaine website, where consumers could find farmers markets, greenhouses and nurseries. We used search engine marketing to drive qualified demand/traffic to the website. We leveraged existing Maine Office of Tourism assets to reach a larger audience.

The Tactics used for this final push in the Spring of 2012 included doing a paid search in the media, doing optimization through Geo-targeting users in Maine, New Hampshire, Vermont and Massachusetts. In addition the media firm used a broad mix of key word groups (125) and built out the optimization based on performance. The Office of Tourism also did newspaper advertising in our Statewide newspapers including:.

- i. Portland Press Herald
- ii. Bangor Daily News
- iii. Kennebec Journal/Waterville Morning Sentinel
- iv. Lewiston Sun Journal
- v. Biddeford Journal Tribune
- vi. Brunswick Times Record

The office of Tourism contracted with a media firm to establish a Social Media program for us, including outreach/advertising through Facebook & Twitter

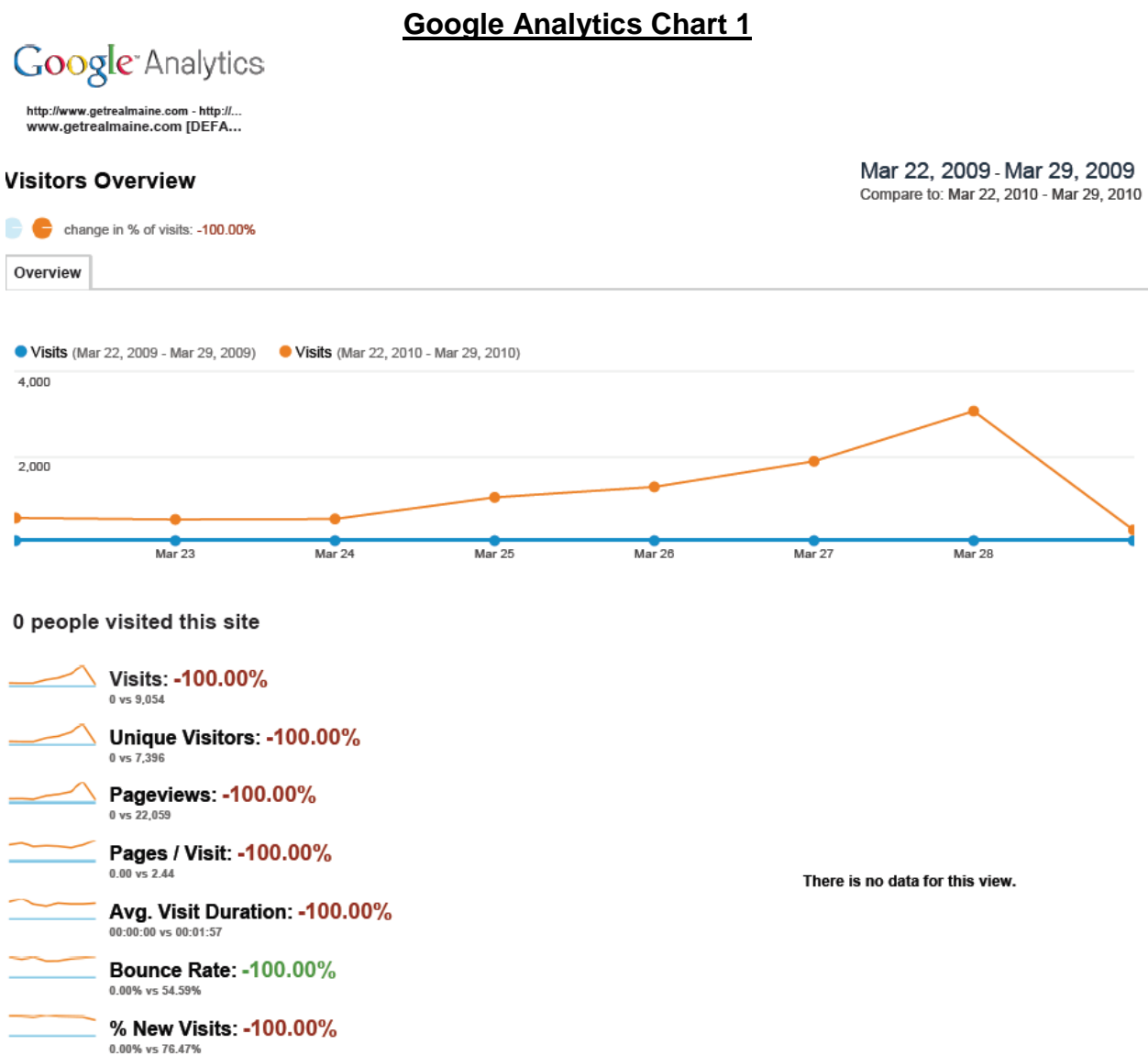
Goals and Outcomes Achieved

The goal of the SCBG funding was to provide online marketing support for specialty crops and drive more consumers to the GetRealMaine website. We did increase traffic to the www. Getrealmaine website for the Maine Maple Sunday promotion period for maple producers (See Google Analytics Chart 1). We did less promotion in 2012 and the numbers did go down slightly.

We also attempted to utilize print mail in the spring of 2012 to drive consumers to the website to find greenhouses and nurseries (See Google Analytics Chart 2). While we hoped to have at least a 10% increase in traffic to our website from 2011 to 2012 for May, we actually generated a 63.83 % increase, from 2,935 to 5,102 visitors in the

month. Many of those were new visitors. In addition, Direct traffic to the site (no referrals) went from 526 to 906 per month, which reflects the value of print media. Finally, the introduction of Facebook resulted in a 321% increase in traffic from 19 to 80 hits for the month of May.

When we analyzed the period of one month after the major media blitz (May 19th to June 19th), the numbers improved even more. The number of hits went from 4,229 to 7,013, a 66% increase, and direct traffic to the site went from 463 to 1,112, a 140% increase over the previous year.



Google Analytics Chart 2



http://www.getrealmaine.com - http://...
www.getrealmaine.com [DEFA...

Visitors Overview

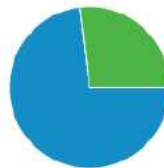
May 1, 2012 - Jun 1, 2012
Compare to: May 1, 2011 - Jun 1, 2011

change in % of visits: +0.00%

Overview



5,102 people visited this site



73.06% New Visitor
4,557 Visits

26.94% Returning Visitor
1,880 Visits

Nancy Marshall Communications (NMC) created a new Facebook page for Get Real, Get Maine. The creation of the page consisted of creating a profile image using the Get Real, Get Maine logo, completion of profile descriptions with company info, as well as designing a cover photo that included our mission statement. NMC also developed and installed a custom application which shows up below the cover photo. This custom application can be used as a landing tab for advertising traffic. It was used to increase the rate that Facebook users who click on the ads then hit the "Like" button, thus boosting ad conversion rates.

We posted daily content to the page that provided interesting and helpful news and ideas, and that also reflected the info promised in the Facebook ads. NMC created and

managed a Facebook ad campaign that ran from May 16 to May 19, 2012 to help build the fan base. The Facebook ads targeted Northeast United States, Atlantic Canada and Quebec, and people who were not already fans of the page. The campaign resulted in a total of 809 new fans.

Beneficiaries

Maine's maple syrup and greenhouse/nursery growers were the largest beneficiaries of this project. We would expect that these farmers would see increased tourist activity leading to increased sales.

Lessons Learned

This project had fits and starts due to the changing staffing for managing the project. This project has had no less than 6 different project managers in the three years. We changed the nature of the project midstream. While the final product assisted a number of Maine's maple syrup and greenhouse/nursery growers, we were only able to get anecdotal evidence of value direct to those farmers.

We had great penetration of the advertising, and this project helped the Department better connect with our Tourism Office. We intend to do more work with the Tourism Office in the future, now that we see the strength of the relationships they have with the tourist industry.

We also found that Facebook can be a powerful ally for word of mouth marketing and we intend to utilize that function much more.

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Multi-State Projects

Project Title: Food Safety and Product Handling on the Farm Video Production

Project Summary

Many food retailers in the New England region are starting to request Good Agricultural Practices, or “GAP” certification, of growers selling produce to them via wholesale channels. For many of these growers, the requirements of the certification and the certification process are unfamiliar. However, there are programs in place to help farmers prepare for and attain GAP certification.

Because the recent GAP certification demands have been largely driven by the food retailers, there was concern in agricultural industry that GAP or GAP-like certification might trickle down to direct to consumer sales outlets such as farm stands, farmers’ markets, etc. The Harvest New England Association proposed to create a video aimed at producers to introduce them to the principles of food safety and handling on the farm. All of the New England Departments of Agriculture contributed funding either to specifically support this project or for general Harvest New England projects.

Project Approach

Harvest New England solicited bids from companies to create the video, including script development, obtaining appropriate farm film footage, editing the video and creating a Spanish language version. VideoVision Productions, Inc. of Barre, VT was selected to perform the work.

The project began with research on content and creation of a script. Once the script was approved by Harvest New England, filming began at several locations throughout New England.

Outcomes Achieved

The video has been completed and approved. It is approximately 22 minutes in length. It will be distributed to appropriate state agencies and organizations (Cooperative Extension, grower organizations, etc.). It will be available for viewing on the Harvest New England website and the New England Departments of Agriculture website.

Harvest New England contracted with VideoVision for a total of 300 DVDs, 150 in English and 150 in Spanish. When the project ends for the other States, each state will get 25 copies of each to loan out, or do with what they wish. Additionally, VideoVision

will provide web hosting for video viewing for one year and provide a link for all state Depts. of Ag websites and the Harvest New England website (available for viewing in both English and Spanish). We will let USDA know when that website is up and running.

The distribution/ notification plan regarding the video availability for Maine is still to be accomplished. We expect that we will cross reference the producers who request the video with producers requesting a first time GAP audit (in another grant) to quantify the expected measureable outcome of the 10 percent increase in producers requesting GAP audits to further enhance the marketability of their products. We will report on that in future annual reports for the GAP AUDIT project under the 2010 and 2011 State Plan.

Beneficiaries

Fruit and vegetable growers from the New England States will have access to this video and benefit from the education provided:

CT: 1232

MA: 2217

ME: 2078

NH: 846

RI: 367

VT: 1005

Total New England Fruit and Vegetable Growers = 7,745

Lessons Learned

Although the outcome has been the production of a valuable educational tool, the process was fraught with problems and delays at the production level. VideoVision Productions, Inc. subcontracted with two other film companies from Illinois to assist with the development and editing. The subcontractors were companies that Video Vision had worked with in the past.

After 90% of the filming was completed, one of the subcontractors, while in possession of nearly all the film, virtually disappeared. It was later found that the company head was indicted for some issue unrelated to the Harvest New England project. However, VideoVision Productions, after months of no response from the subcontractor, was not able to recover all the original film. Much time was lost trying to track down the film and determine the status of the production. Filming had to start over again with almost a year lost. We were not aware of the Excluded Parties List when this grant was started, and the company does not show up in a search now. The indictment came after we began working with them. This was a sub, sub contractor--our contract was only with VideoVision. The experience has taught us that we must be more diligent in looking at all levels of contractors and clear all of them on the Excluded Parties List in the future.

Filming resumed in spring of 2012. VideoVision Productions continued to work with the other original subcontractor on the editing. Then unbelievably, this contractor also disappeared, while in possession of the film. It was later determined that this contractor went out of business abruptly due to financial reasons. After some delay, VideoVision was able to recover most of the film, but still some re-filming was necessary. Additionally, the original project coordinator for Harvest New England retired before the project was completed. This added a layer of communication and record tracking issues.

Clearly this issue resulted in the Maine part of the project not being able to fulfill the completion of all expected measurable outcomes. Once we, in Maine, get the video, we will work with our GAP project partners to get the video into those farmers hands and see if it makes a difference. We will summarize that information for our files.

VideoVision Productions has certainly learned a lesson regarding selection of sub contractor partners. Harvest New England has learned to ask about subcontractors, although there may not have been any way to determine ahead of time, the potential for what happened here. No funds have been recovered by Harvest New England at this point. In the future, we will start by reviewing the Excluded Parties List mentioned above. We will also ask for references from all levels of contractors associated with a specific project. We will add sections to our contracts to assure compliance with Federal Law, and provide for a clear path to recovery of funds if the contractor or subcontractor's fail to perform.

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